

# AllianceBernstein Variable Products Series Fund, Inc.

Annual Report

December 31, 2009

› AllianceBernstein Real Estate Investment Portfolio

#### **Investment Products Offered**

- ▶ **Are Not FDIC Insured**
- ▶ **May Lose Value**
- ▶ **Are Not Bank Guaranteed**

**You may obtain a description of the Fund's proxy voting policies and procedures, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, without charge. Simply visit AllianceBernstein's web site at [www.alliancebernstein.com](http://www.alliancebernstein.com) or go to the Securities and Exchange Commission's (the "Commission") web site at [www.sec.gov](http://www.sec.gov), or call AllianceBernstein at (800) 227-4618.**

**The Fund files its complete schedule of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the Commission's web site at [www.sec.gov](http://www.sec.gov). The Fund's Forms N-Q may also be reviewed and copied at the Commission's Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.**

**AllianceBernstein® and the AB Logo are registered trademarks and service marks used by permission of the owner, AllianceBernstein L.P.**

**LETTER TO INVESTORS**

February 12, 2010

The following is an update of AllianceBernstein Variable Products Series Fund AllianceBernstein Real Estate Investment Portfolio (the "Portfolio") for the annual reporting period ended December 31, 2009.

**INVESTMENT OBJECTIVE AND POLICIES**

The Portfolio's investment objective is total return from long-term growth of capital and income. Under normal circumstances, the Portfolio invests at least 80% of its net assets in real estate investment trusts or REITs, and other real estate industry companies. The Portfolio invests in real estate companies that AllianceBernstein L.P. (the "Adviser") believes have strong property fundamentals and management teams. The Portfolio seeks to invest in real estate companies whose underlying portfolios are diversified geographically and by property type. The Portfolio may invest in mortgage-backed securities, which are securities that directly or indirectly represent participations in, or are collateralized by and payable from, mortgage loans secured by real property. These securities include mortgage pass-through certificates, real estate mortgage investment conduit certificates ("REMICs") and collateralized mortgage obligations ("CMOs"). The Portfolio may also invest in short-term investment-grade debt securities and other fixed-income securities. The Portfolio may invest in foreign securities and enter into forward commitments and standby commitment agreements. The Portfolio may enter into derivatives transactions, including options, futures, forwards and swap agreements.

**INVESTMENT RESULTS**

The table on page 3 shows the Portfolio's Class A shares' performance compared to the benchmark, the Financial Times Stock Exchange (FTSE) National Associate of Real Estate Investment Trusts (NAREIT) Equity REIT Index, for the one-, five- and 10-year periods ended December 31, 2009, and the Portfolio's Class B shares' performance since inception on April 24, 2001. For a comparison to the broad market, returns for the Standard & Poor's (S&P) 500 Stock Index are also included.

The Portfolio outperformed the benchmark for the annual reporting period ended December 31, 2009. The Portfolio's outperformance for the period was helped by security and sector selection. Main contributors were investments in niche segments of the real estate market where supply-demand fundamentals have been resilient throughout the economic recession. Other contributors were companies leveraged to the economic recovery such as lodging, retail malls and shopping centers. Key detractors from performance were companies in the retail and office sectors, which the Portfolio sold during the period due to valuation. These continued to outperform subsequent to being sold and thus negatively impacted performance.

**MARKET REVIEW AND INVESTMENT STRATEGY**

For the annual period ended December 31, 2009, US real estate markets posted a positive absolute return of 27.99%, according to the FTSE NAREIT Equity REIT Index. Real estate markets performed strongly beginning April 2009, as concerns about the impact of the credit cycle on consumers, economic growth and real estate valuations continued to subside.

While fundamentals vary by region and by property type, in general, new commercial real estate construction for the reporting period has been subdued, partly due to high construction costs. As a result, commercial real estate entered the economic downturn with robust occupancy rates, a manageable supply of new space in the pipeline and in-place rents which, in many cases, are below prevailing market rents (thus giving some owners an opportunity to increase cash flows as leases expire and new rents are set). Given the collapse in new construction, exacerbated by lack of financing, fundamental supply is likely to remain in check facilitating a rebound in pricing power when demand begins to recover.

The Portfolio's REIT Investment Policy Group (the "Group") believes its securities are well positioned to benefit from the nascent economic recovery. Stock selection emphasizes attractively valued companies with ample dividend coverage, reasonable leverage and high-quality tenants. The Group's research focus allows it to uncover new opportunities while focusing on stocks unduly penalized by the market turmoil, attractively valued stocks in markets less affected by the credit crisis, and niche segments where demand dynamics are relatively more robust.

# ***REAL ESTATE INVESTMENT PORTFOLIO***

## ***HISTORICAL PERFORMANCE***

*AllianceBernstein Variable Products Series Fund*

---

### **An Important Note About the Value of Historical Performance**

The performance shown on the following page represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance information shown. Please contact your Financial Advisor or Insurance Agent Representative at your financial institution to obtain portfolio performance information current to the most recent month-end.

Investors should consider the investment objectives, risks, charges and expenses of the Fund/Portfolio carefully before investing. For copies of our prospectus or summary prospectus, which contain this and other information, visit us online at [www.alliancebernstein.com](http://www.alliancebernstein.com) or contact your AllianceBernstein Investments representative. Please read the prospectus and/or summary prospectus carefully before investing.

All fees and expenses related to the operation of the Portfolio have been deducted, but no adjustment has been made for insurance company separate account or annuity contract charges, which would reduce total return to a contract owner. NAV returns do not reflect sales charges; if sales charges were reflected, the Portfolio's quoted performance would be lower. Performance assumes reinvestment of distributions and does not account for taxes.

### **Benchmark Disclosure**

Neither the unmanaged Financial Times Stock Exchange (FTSE) National Association of Real Estate Investment Trusts (NAREIT) Equity REIT Index nor the unmanaged Standard & Poor's (S&P) 500 Stock Index reflects fees and expenses associated with the active management of a mutual fund portfolio. The FTSE NAREIT Equity REIT Index is a market-value-weighted index based upon the last closing price of the month for tax-qualified real estate investment trusts (REITs) listed on the NYSE, AMEX and NASDAQ. The S&P 500 Stock Index is comprised of 500 US companies and is a common measure of the performance of the overall US stock market. An investor cannot invest directly in an index, and its results are not indicative of the performance for any specific investment, including the Portfolio.

### **A Word About Risk**

The Portfolio concentrates its investments in real estate-related investments and may therefore be subject to greater risks and volatility than a fund with a more diversified portfolio. While the Portfolio invests principally in the equity securities of real estate investment trusts, in order to achieve its investment objectives, the Portfolio may invest up to 20% of its total assets in mortgage-backed securities which involve risks described in the prospectus. An investment in the Portfolio is subject to certain risks associated with the direct ownership of real estate and with the real estate industry in general, including declines in the value of real estate, general and local economic conditions and interest rates. The Portfolio can invest in foreign securities which may magnify fluctuations due to changes in foreign exchange rates and the possibility of substantial volatility due to political and economic uncertainties in foreign countries. While the Portfolio invests principally in common stocks and other equity securities, in order to achieve its investment objectives, the Portfolio may at times use certain types of investment derivatives, such as options, futures, forwards and swaps. These instruments involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments. These risks are fully discussed in the Variable Products prospectus.

**There are additional fees and expenses associated with all Variable Products. These fees can include mortality and expense risk charges, administrative charges, and other charges that can significantly reduce investment returns. Those fees and expenses are not reflected in this annual report. You should consult your Variable Products prospectus for a description of those fees and expenses and speak to your insurance agent or financial representative if you have any questions. You should read the prospectus before investing or sending money.**

# REAL ESTATE INVESTMENT PORTFOLIO HISTORICAL PERFORMANCE

(continued from previous page)

AllianceBernstein Variable Products Series Fund

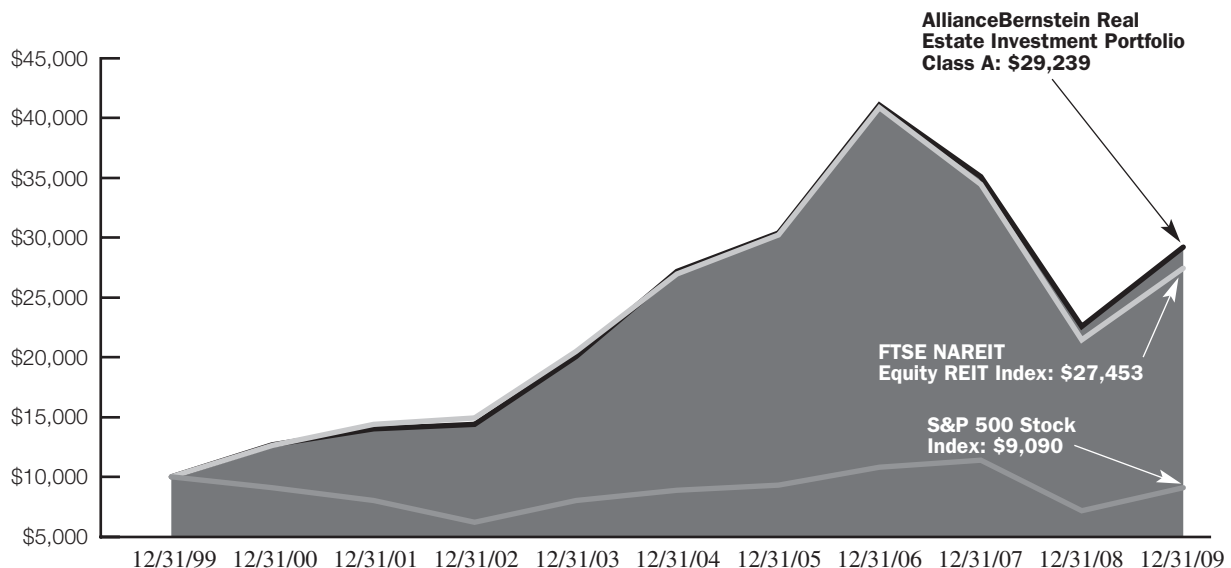
THE PORTFOLIO VS. ITS BENCHMARK PERIODS ENDED DECEMBER 31, 2009	Returns		
	1 Year	5 Years	10 Years
AllianceBernstein Real Estate Investment Portfolio Class A	29.46%	1.45%	11.33%
AllianceBernstein Real Estate Investment Portfolio Class B	29.22%	1.21%	10.20%*
FTSE NAREIT Equity REIT Index	27.99%	0.36%	10.63%
S&P 500 Stock Index	26.46%	0.42%	-0.95%

\* Since inception of the Portfolio's Class B shares on 4/24/01.

The Portfolio's current prospectus fee table shows the Portfolio's total annual operating expense ratios as 1.45% and 1.70% for Class A and Class B, respectively. The Financial Highlights section of this report sets forth expense ratio data for the current reporting period; the expense ratios shown above may differ from the expense ratios in the Financial Highlights section since they are based on different time periods.

## ALLIANCEBERNSTEIN REAL ESTATE INVESTMENT PORTFOLIO CLASS A GROWTH OF A \$10,000 INVESTMENT 12/31/99 – 12/31/09

- AllianceBernstein Real Estate Investment Portfolio Class A
- FTSE NAREIT Equity REIT Index
- S&P 500 Stock Index



This chart illustrates the total value of an assumed \$10,000 investment in AllianceBernstein Real Estate Investment Portfolio Class A shares (from 12/31/99 to 12/31/09) as compared to the performance of the Portfolio's benchmark, the FTSE NAREIT Equity REIT Index, and the broad market as measured by the S&P 500 Stock Index. The chart assumes the reinvestment of dividends and capital gains distributions.

See Historical Performance and Benchmark disclosures on previous page.

**REAL ESTATE INVESTMENT PORTFOLIO**  
**FUND EXPENSES**

*AllianceBernstein Variable Products Series Fund*

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, contingent deferred sales charges on redemptions and (2) ongoing costs, including management fees; distribution (12b-1) fees; and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period as indicated below.

**Actual Expenses**

The first line of each class' table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period. The estimate of expenses does not include fees or other expenses of any variable insurance product. If such expenses were included, the estimate of expenses you paid during the period would be higher and your ending account value would be lower.

**Hypothetical Example for Comparison Purposes**

The second line of each class' table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed annual rate of return of 5% before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds by comparing this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds. The estimate of expenses does not include fees or other expenses of any variable insurance product. If such expenses were included, the estimate of expenses you paid during the period would be higher and your ending account value would be lower.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), or contingent deferred sales charges on redemptions. Therefore, the second line of each class' table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

<u>Real Estate Investment Portfolio</u>	<u>Beginning Account Value July 1, 2009</u>	<u>Ending Account Value December 31, 2009</u>	<u>Expenses Paid During Period*</u>	<u>Annualized Expense Ratio*</u>
<b>Class A</b>				
Actual .....	\$ 1,000	\$ 1,436.66	\$ 6.94	1.13%
Hypothetical (5% return before expenses) .....	\$ 1,000	\$ 1,019.51	\$ 5.75	1.13%
<b>Class B</b>				
Actual .....	\$ 1,000	\$ 1,436.85	\$ 8.48	1.38%
Hypothetical (5% return before expenses) .....	\$ 1,000	\$ 1,018.25	\$ 7.02	1.38%

\* Expenses are equal to each classes' annualized expense ratios, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

**REAL ESTATE INVESTMENT PORTFOLIO**  
**TEN LARGEST HOLDINGS\***

December 31, 2009 (unaudited)

AllianceBernstein Variable Products Series Fund

COMPANY	U.S. \$ VALUE	PERCENT OF NET ASSETS
Simon Property Group, Inc.	\$ 5,818,298	11.5%
Public Storage	2,154,353	4.2
Vonado Realty Trust	2,121,280	4.1
Equity Residential	1,871,412	3.7
ProLogis	1,839,252	3.6
Digital Realty Trust, Inc.	1,820,136	3.6
Ventas, Inc.	1,769,939	3.5
Rayonier, Inc.	1,656,804	3.3
Nationwide Health Properties, Inc	1,287,588	2.5
Host Hotels & Resorts, Inc.	1,251,689	2.5
	<u>\$ 21,590,751</u>	<u>42.5%</u>

**INDUSTRY DIVERSIFICATION**

December 31, 2009 (unaudited)

INDUSTRY	U.S. \$ VALUE	PERCENT OF TOTAL INVESTMENTS
Diversified/Specialty	\$ 11,763,045	22.9%
Regional Mall	6,852,267	13.4
Multi-Family	6,555,272	12.8
Health Care	6,230,535	12.1
Office	5,778,146	11.3
Lodging	3,920,382	7.6
Shopping Center/Other Retail	3,476,010	6.8
Self Storage	2,758,418	5.4
Industrial Warehouse distribution	1,839,252	3.6
Triple Net	367,106	0.7
Student Housing	194,568	0.4
Short-Term Investments	1,567,000	3.0
Total Investments	<u>\$ 51,302,001</u>	<u>100.0%</u>

\* Long-term investments.

Please note: The industry classifications presented herein are based on the industry categorization methodology of the Adviser.

# REAL ESTATE INVESTMENT PORTFOLIO

## PORTFOLIO OF INVESTMENTS

December 31, 2009

AllianceBernstein Variable Products Series Fund

Company	Shares	U.S. \$ Value	Company	Shares	U.S. \$ Value
<b>COMMON STOCKS—97.8%</b>			<b>SELF STORAGE—5.4%</b>		
<b>EQUITY:OTHER—36.1%</b>			<b>EXTRA SPACE STORAGE—5.4%</b>		
<b>DIVERSIFIED/SPECIALTY—23.1%</b>			Extra Space Storage, Inc. .... 52,300 \$ 604,065		
Alexandria Real Estate Equities, Inc. ...	13,700	\$ 880,773	Public Storage .....	26,450	2,154,353
BioMed Realty Trust, Inc. ....	62,800	990,984			<u>2,758,418</u>
CB Richard Ellis Group, Inc.—			<b>STUDENT HOUSING—0.4%</b>		
Class A(a) .....	43,900	595,723	Education Realty Trust, Inc. .... 40,200		
Crown Castle International					<u>194,568</u>
Corp.(a) .....	13,100	511,424			<u>9,508,258</u>
Digital Realty Trust, Inc. ....	36,200	1,820,136	<b>OFFICE—11.4%</b>		
DuPont Fabros Technology, Inc. ....	42,100	757,379	<b>OFFICE—11.4%</b>		
Entertainment Properties Trust .....	25,100	885,277	Boston Properties, Inc. .... 7,500		
Forest City Enterprises, Inc.—			Brandywine Realty Trust .....		
Class A(a) .....	21,600	254,448	Brookfield Properties Corp. (New		
Jones Lang LaSalle, Inc. ....	12,800	773,120	York) .....		
Rayonier, Inc. ....	39,298	1,656,804	Corporate Office Properties		
Starwood Property Trust, Inc. ....	27,300	515,697	Trust .....		
Vornado Realty Trust .....	30,330	2,121,280	Douglas Emmett, Inc. .... 17,700		
		<u>11,763,045</u>	Duke Realty Corp. .... 81,000		
			Government Properties Income		
			Trust .....		
			Kilroy Realty Corp. .... 20,300		
			Mack-Cali Realty Corp. .... 28,800		
					<u>5,778,146</u>
<b>HEALTH CARE—12.3%</b>			<b>LODGING—7.7%</b>		
HCP, Inc. ....	38,450	1,174,263	<b>LODGING—7.7%</b>		
Health Care REIT, Inc. ....	27,500	1,218,800	DiamondRock Hospitality Co. .... 78,100		
Nationwide Health Properties, Inc. ...	36,600	1,287,588	Host Hotels & Resorts, Inc.(a) .... 107,257		
Omega Healthcare Investors, Inc. ....	40,100	779,945	Hyatt Hotels Corp—Cl A(a) .... 3,300		
Ventas, Inc. ....	40,465	1,769,939	LaSalle Hotel Properties .....		
		<u>6,230,535</u>	Sunstone Hotel Investors, Inc.(a) .. 88,132		
			Wyndham Worldwide Corp. .... 37,100		
					<u>3,920,382</u>
<b>TRIPLE NET—0.7%</b>			<b>INDUSTRIALS—3.6%</b>		
National Retail Properties, Inc. ....	17,300	367,106	<b>INDUSTRIAL WAREHOUSE</b>		
		<u>18,360,686</u>	<b>DISTRIBUTION—3.6%</b>		
			ProLogis .....		
			Total Common Stocks		
			(cost \$37,369,040) .....		
					<u>49,735,001</u>
<b>RETAIL—20.3%</b>			<b>Principal</b>		
<b>REGIONAL MALL—13.5%</b>			<b>Amount</b>		
CBL & Associates Properties, Inc. ...	86,850	839,839	<b>(000)</b>		
Macerich Co. ....	5,400	194,130	<b>SHORT-TERM INVESTMENTS—3.1%</b>		
Simon Property Group, Inc. ....	72,911	5,818,298	<b>TIME DEPOSIT—3.1%</b>		
		<u>6,852,267</u>	State Street Time Deposit		
			0.01%, 1/04/10		
			(cost \$1,567,000) .....		
				\$1,567	<u>1,567,000</u>
<b>SHOPPING CENTER/OTHER</b>			<b>TOTAL</b>		
<b>RETAIL—6.8%</b>			<b>INVESTMENTS—100.9%</b>		
Federal Realty Investment Trust .....	16,500	1,117,380	(cost \$38,936,040) .....		
Kimco Realty Corp. ....	37,200	503,316	Other assets less		
Tanger Factory Outlet Centers .....	21,800	849,982	liabilities—(0.9)% .....		
Weingarten Realty Investors .....	50,800	1,005,332	<b>NET ASSETS—100.0%</b>		
		<u>3,476,010</u>	<u>\$ 50,833,682</u>		
		<u>10,328,277</u>			
<b>RESIDENTIAL—18.7%</b>			(a) Non-income producing security.		
<b>MULTI-FAMILY—12.9%</b>			Glossary:		
Camden Property Trust .....	18,600	788,082	REIT—Real Estate Investment Trust		
Equity Residential .....	55,400	1,871,412	See notes to financial statements.		
Essex Property Trust, Inc. ....	8,500	711,025			
Home Properties, Inc. ....	12,665	604,247			
Mid-America Apartment					
Communities, Inc. ....	18,410	888,835			
NVR, Inc.(a) .....	1,300	923,923			
UDR, Inc. ....	46,700	767,748			
		<u>6,555,272</u>			

**REAL ESTATE INVESTMENT PORTFOLIO**  
**STATEMENT OF ASSETS & LIABILITIES**

December 31, 2009

AllianceBernstein Variable Products Series Fund

**ASSETS**

Investments in securities, at value (cost \$38,936,040) .....	\$51,302,001
Cash .....	478
Receivable for investment securities sold .....	242,327
Dividends and interest receivable .....	139,073
Receivable for capital stock sold .....	6,344
Total assets .....	<u>51,690,223</u>

**LIABILITIES**

Payable for investment securities purchased .....	657,742
Payable for capital stock redeemed .....	110,939
Advisory fee payable .....	23,129
Administrative fee payable .....	21,190
Distribution fee payable .....	2,605
Transfer Agent fee payable .....	125
Accrued expenses .....	40,811
Total liabilities .....	<u>856,541</u>

**NET ASSETS** ..... \$50,833,682

**COMPOSITION OF NET ASSETS**

Capital stock, at par .....	\$ 5,267
Additional paid-in capital .....	45,436,917
Undistributed net investment income .....	976,148
Accumulated net realized loss on investment transactions .....	(7,950,611)
Net unrealized appreciation on investments .....	12,365,961
	<u>\$50,833,682</u>

**Net Asset Value Per Share—1 billion shares of capital stock authorized, \$.001 par value**

Class	Net Assets	Shares Outstanding	Net Asset Value
A	\$ 38,317,241	3,972,904	\$ 9.64
B	\$ 12,516,441	1,294,013	\$ 9.67

See notes to financial statements.

**REAL ESTATE INVESTMENT PORTFOLIO**  
**STATEMENT OF OPERATIONS**

Year Ended December 31, 2009

AllianceBernstein Variable Products Series Fund

**INVESTMENT INCOME**

Dividends (net of foreign taxes withheld of \$4,154) .....	\$ 1,422,348
Interest .....	<u>24</u>
	\$ <u>1,422,372</u>

**Expenses**

Advisory fee (see Note B) .....	201,881
Distribution fee—Class B .....	24,600
Transfer agency—Class A .....	5,571
Transfer agency—Class B .....	1,911
Administrative .....	82,940
Custodian .....	76,828
Audit .....	41,969
Legal .....	39,012
Directors' fees .....	3,630
Printing .....	3,342
Miscellaneous .....	<u>5,550</u>
Total expenses .....	<u>487,234</u>
Net investment income .....	<u>935,138</u>

**REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENT TRANSACTIONS**

Net realized loss on investment transactions .....	(3,358,506)
Net change in unrealized appreciation/depreciation of investments .....	<u>13,611,411</u>
Net gain on investment transactions .....	<u>10,252,905</u>

**NET INCREASE IN NET ASSETS FROM OPERATIONS** ..... \$11,188,043

See notes to financial statements.

**REAL ESTATE INVESTMENT PORTFOLIO****STATEMENT OF CHANGES IN NET ASSETS AllianceBernstein Variable Products Series Fund**

	<u>Year Ended December 31, 2009</u>	<u>Year Ended December 31, 2008</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
Net investment income .....	\$ 935,138	\$ 1,174,945
Net realized loss on investment transactions .....	(3,358,506)	(3,660,877)
Net change in unrealized appreciation/depreciation of investments .....	<u>13,611,411</u>	<u>(19,036,350)</u>
Net increase (decrease) in net assets from operations .....	11,188,043	(21,522,282)
<b>DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS FROM</b>		
Net investment income		
Class A .....	(877,524)	(713,047)
Class B .....	(243,734)	(234,778)
Net realized gain on investment transactions		
Class A .....	(636,788)	(10,858,993)
Class B .....	(209,279)	(4,707,359)
<b>CAPITAL STOCK TRANSACTIONS</b>		
Net increase .....	<u>6,426,615</u>	<u>927,259</u>
Total increase (decrease) .....	15,647,333	(37,109,200)
<b>NET ASSETS</b>		
Beginning of period .....	<u>35,186,349</u>	<u>72,295,549</u>
End of period (including undistributed net investment income of \$976,148 and \$1,179,758, respectively) .....	<u>\$50,833,682</u>	<u>\$ 35,186,349</u>

---

See notes to financial statements.

# ***REAL ESTATE INVESTMENT PORTFOLIO*** ***NOTES TO FINANCIAL STATEMENTS***

***December 31, 2009***

***AllianceBernstein Variable Products Series Fund***

---

## **NOTE A: Significant Accounting Policies**

The AllianceBernstein Real Estate Investment Portfolio (the “Portfolio”) is a series of AllianceBernstein Variable Products Series Fund, Inc. (the “Fund”). The Portfolio’s investment objective is total return from long-term growth of capital and income. The Portfolio is diversified as defined under the Investment Company Act of 1940. The Fund was incorporated in the State of Maryland on November 17, 1987, as an open-end series investment company. The Fund offers thirteen separately managed pools of assets which have differing investment objectives and policies. The Portfolio offers Class A and Class B shares. Both classes of shares have identical voting, dividend, liquidating and other rights, except that Class B shares bear a distribution expense and have exclusive voting rights with respect to the Class B distribution plan.

The Portfolio offers and sells its shares only to separate accounts of certain life insurance companies for the purpose of funding variable annuity contracts and variable life insurance policies. Sales are made without a sales charge at the Portfolio’s net asset value per share.

The financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) which require management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and amounts of income and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Portfolio.

### **1. Security Valuation**

Portfolio securities are valued at their current market value determined on the basis of market quotations or, if market quotations are not readily available or are deemed unreliable, at “fair value” as determined in accordance with procedures established by and under the general supervision of the Fund’s Board of Directors.

In general, the market value of securities which are readily available and deemed reliable are determined as follows. Securities listed on a national securities exchange (other than securities listed on the NASDAQ Stock Market, Inc. (“NASDAQ”)) or on a foreign securities exchange are valued at the last sale price at the close of the exchange or foreign securities exchange. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices on such day. Securities listed on more than one exchange are valued by reference to the principal exchange on which the securities are traded; securities listed only on NASDAQ are valued in accordance with the NASDAQ Official Closing Price; listed put or call options are valued at the last sale price. If there has been no sale on that day, such securities will be valued at the closing bid prices on that day; open futures contracts and options thereon are valued using the closing settlement price or, in the absence of such a price, the most recent quoted bid price. If there are no quotations available for the day of valuation, the last available closing settlement price is used; securities traded in the over-the-counter market (“OTC”) are valued at the mean of the current bid and asked prices as reported by the National Quotation Bureau or other comparable sources; U.S. government securities and other debt instruments having 60 days or less remaining until maturity are valued at amortized cost if their original maturity was 60 days or less; or by amortizing their fair value as of the 61st day prior to maturity if their original term to maturity exceeded 60 days; fixed-income securities, including mortgage backed and asset backed securities, may be valued on the basis of prices provided by a pricing service or at a price obtained from one or more of the major broker/dealers. In cases where broker/dealer quotes are obtained, AllianceBernstein L.P. (the “Adviser”) may establish procedures whereby changes in market yields or spreads are used to adjust, on a daily basis, a recently obtained quoted price on a security; and OTC and other derivatives are valued on the basis of a quoted bid price or spread from a major broker/dealer in such security.

Securities for which market quotations are not readily available (including restricted securities) or are deemed unreliable are valued at fair value. Factors considered in making this determination may include, but are not limited to, information obtained by contacting the issuer, analysts, analysis of the issuer’s financial statements or other available documents. In addition, the Portfolio may use fair value pricing for securities primarily traded in non-U.S. markets because most foreign markets close well before the Portfolio values its securities at 4:00 p.m., Eastern Time. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred in the interim and may materially affect the value of those securities. To account for this, the Portfolio may frequently value many of its foreign equity securities using fair value prices based on third party vendor modeling tools to the extent available.

### **2. Fair Value Measurements**

In accordance with U.S. GAAP regarding fair value measurements, fair value is defined as the price that the Portfolio would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement

date. The disclosure requirements also establish a framework for measuring fair value, and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Portfolio. Unobservable inputs reflect the Portfolio's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. Each investment is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-tier hierarchy of inputs is summarized below.

- Level 1—quoted prices in active markets for identical investments
- Level 2—other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3—significant unobservable inputs (including the Portfolio's own assumptions in determining the fair value of investments)

The following table summarizes the valuation of the Portfolio's investments by the above fair value hierarchy levels as of December 31, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Investments in Securities</b>				
Common Stocks .....	\$49,735,001	\$ -0-	\$ -0-	\$49,735,001
Short-Term Investments .....	-0-	1,567,000	-0-	1,567,000
Total Investments in Securities .....	49,735,001	1,567,000	-0-	51,302,001
Other Financial Instruments* .....	-0-	-0-	-0-	-0-
<b>Total .....</b>	<b><u>\$49,735,001</u></b>	<b><u>\$1,567,000</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$51,302,001</u></b>

\* Other financial instruments are derivative instruments, such as futures, forwards and swap contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

### 3. Currency Translation

Assets and liabilities denominated in foreign currencies and commitments under forward currency exchange contracts are translated into U.S. dollars at the mean of the quoted bid and asked prices of such currencies against the U.S. dollar. Purchases and sales of portfolio securities are translated into U.S. dollars at the rates of exchange prevailing when such securities were acquired or sold. Income and expenses are translated into U.S. dollars at rates of exchange prevailing when accrued.

Net realized gain or loss on foreign currency transactions represents foreign exchange gains and losses from sales and maturities of foreign fixed income investments, foreign currency exchange contracts, holding of foreign currencies, currency gains or losses realized between the trade and settlement dates on foreign investment transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Portfolio's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized currency gains and losses from valuing foreign currency denominated assets and liabilities at period end exchange rates are reflected as a component of net unrealized appreciation or depreciation of investments and foreign currency denominated assets and liabilities.

### 4. Taxes

It is the Portfolio's policy to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its investment company taxable income and net realized gains, if any, to shareholders. Therefore, no provisions for federal income or excise taxes are required. The Portfolio may be subject to taxes imposed by countries in which it invests. Such taxes are generally based on income and/or capital gains earned or repatriated. Taxes are accrued and applied to net investment income, net realized gains and net unrealized appreciation/depreciation as such income and/or gains are earned.

In accordance with U.S. GAAP requirements regarding accounting for uncertainties in income taxes, management has analyzed the Portfolio's tax positions taken on federal and state income tax returns for all open tax years (the current and the prior three tax years) and has concluded that no provision for income tax is required in the Portfolio's financial statements.

# **REAL ESTATE INVESTMENT PORTFOLIO**

## **NOTES TO FINANCIAL STATEMENTS**

*(continued)*

*AllianceBernstein Variable Products Series Fund*

---

### **5. Investment Income and Investment Transactions**

Dividend income is recorded on the ex-dividend date or as soon as the Portfolio is informed of the dividend. Interest income is accrued daily. Investment transactions are accounted for on the date the securities are purchased or sold. Investment gains or losses are determined on the identified cost basis. The Portfolio amortizes premiums and accretes discounts as adjustments to interest income.

### **6. Class Allocations**

All income earned and expenses incurred by the Portfolio are borne on a pro-rata basis by each outstanding class of shares, based on the proportionate interest in the Portfolio represented by the net assets of such class, except for class specific expenses which are allocated to the respective class. Expenses of the Fund are charged to each Portfolio in proportion to net assets. Realized and unrealized gains and losses are allocated among the various share classes based on respective net assets.

### **7. Dividends and Distributions**

Dividends and distributions to shareholders, if any, are recorded on the ex-dividend date. Income dividends and capital gains distributions are determined in accordance with federal tax regulations and may differ from those determined in accordance with U.S. GAAP. To the extent these differences are permanent, such amounts are reclassified within the capital accounts based on their federal tax basis treatment; temporary differences do not require such reclassification.

### **NOTE B: Advisory Fee and Other Transactions with Affiliates**

Under the terms of the investment advisory agreement, the Portfolio pays the Adviser an advisory fee at an annual rate of .55% of the first \$2.5 billion, .45% of the next \$2.5 billion and .40% in excess of \$5 billion, of the Portfolio's average daily net assets. The fee is accrued daily and paid monthly.

Pursuant to the investment advisory agreement, the Portfolio may reimburse the Adviser for certain legal and accounting services provided to the Portfolio by the Adviser. For the year ended December 31, 2009, such fee amounted to \$82,940.

Brokerage commissions paid on investment transactions for the year ended December 31, 2009 amounted to \$44,435, of which \$0 and \$0, respectively, was paid to Sanford C. Bernstein & Co. LLC and Sanford C. Bernstein Limited, affiliates of the Adviser.

The Portfolio compensates AllianceBernstein Investor Services, Inc. ("ABIS"), a wholly-owned subsidiary of the Adviser, under a Transfer Agency Agreement for providing personnel and facilities to perform transfer agency services for the Portfolio. Such compensation retained by ABIS amounted to \$1,250 for the year ended December 31, 2009.

### **NOTE C: Distribution Plan**

The Portfolio has adopted a Distribution Plan (the "Plan") for Class B shares pursuant to Rule 12b-1 under the Investment Company Act of 1940. Under the Plan, the Portfolio pays distribution and servicing fees to AllianceBernstein Investments, Inc. (the "Distributor"), a wholly-owned subsidiary of the Adviser, at an annual rate of up to .50% of the Portfolio's average daily net assets attributable to Class B shares. The fees are accrued daily and paid monthly. The Board of Directors currently limits payments under the Plan to .25% of the Portfolio's average daily net assets attributable to Class B shares. The Plan provides that the Distributor will use such payments in their entirety for distribution assistance and promotional activities.

The Portfolio is not obligated under the Plan to pay any distribution and servicing fees in excess of the amounts set forth above. The purpose of the payments to the Distributor under the Plan is to compensate the Distributor for its distribution services with respect to the sale of the Portfolio's Class B shares. Since the Distributor's compensation is not directly tied to its expenses, the amount of compensation received by it under the Plan during any year may be more or less than its actual expenses. For this reason, the Plan is characterized by the staff of the Securities and Exchange Commission as being of the "compensation" variety.

In the event that the Plan is terminated or not continued, no distribution and servicing fees (other than current amounts accrued but not yet paid) would be owed by the Portfolio to the Distributor.

The Plan also provides that the Adviser may use its own resources to finance the distribution of the Portfolio's shares.

**NOTE D: Investment Transactions**

Purchases and sales of investment securities (excluding short-term investments) for the year ended December 31, 2009 were as follows:

	<b>Purchases</b>	<b>Sales</b>
Investment securities (excluding U.S. government securities) .....	\$39,668,996	\$33,866,164
U.S. government securities .....	-0-	-0-

The cost of investments for federal income tax purposes, gross unrealized appreciation and unrealized depreciation are as follows:

Cost .....		<u>\$39,939,198</u>
Gross unrealized appreciation .....		\$12,139,624
Gross unrealized depreciation .....		<u>(776,821)</u>
Net unrealized appreciation .....		<u>\$11,362,803</u>

**1. Derivative Financial Instruments**

The Portfolio may use derivatives to earn income and enhance returns, to hedge or adjust the risk profile of its portfolio, to replace more traditional direct investments, or to obtain exposure to otherwise inaccessible markets. The Portfolio may also use derivatives for non-hedging purposes as a means of making direct investment in foreign currencies, as described below under “Currency Transactions”.

The principal types of derivatives utilized by the Portfolio, as well as the methods in which they may be used are:

- **Forward Currency Exchange Contracts**

The Portfolio may enter into forward currency exchange contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign portfolio holdings, to hedge certain firm purchase and sale commitments denominated in foreign currencies and for non-hedging purposes as a means of making direct investments in foreign currencies, as described below under “Currency Transactions”.

A forward currency exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contract and the closing of such contract would be included in net realized gain or loss on foreign currency transactions. Fluctuations in the value of open forward currency exchange contracts are recorded for financial reporting purposes as unrealized appreciation and/or depreciation by the Portfolio. Risks may arise from the potential inability of a counterparty to meet the terms of a contract and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. The face or contract amount, in U.S. dollars reflects the total exposure the Portfolio has in that particular currency contract.

- **Option Transactions**

For hedging and investment purposes, the Portfolio may purchase and write (sell) put and call options on U.S. and foreign securities and foreign currencies that are traded on U.S. and foreign securities exchanges and over-the-counter markets. The Portfolio may also use options transactions for non-hedging purposes as a means of making direct investments in foreign currencies, as described below under “Currency Transactions”.

The risk associated with purchasing an option is that the Portfolio pays a premium whether or not the option is exercised. Additionally, the Portfolio bears the risk of loss of the premium and change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as portfolio securities. The cost of securities acquired through the exercise of call options is increased by premiums paid. The proceeds from securities sold through the exercise of put options are decreased by the premiums paid.

When the Portfolio writes an option, the premium received by the Portfolio is recorded as a liability and is subsequently adjusted to the current market value of the option written. Premiums received from written options which expire unexercised are recorded by the Portfolio on the expiration date as realized gains from options written. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium received is less than the

# REAL ESTATE INVESTMENT PORTFOLIO

## NOTES TO FINANCIAL STATEMENTS

(continued)

AllianceBernstein Variable Products Series Fund

amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium received is added to the proceeds from the sale of the underlying security or currency in determining whether the Portfolio has realized a gain or loss. If a put option is exercised, the premium received reduces the cost basis of the security or currency purchased by the Portfolio. In writing an option, the Portfolio bears the market risk of an unfavorable change in the price of the security or currency underlying the written option. Exercise of an option written by the Portfolio could result in the Portfolio selling or buying a security or currency at a price different from the current market value.

The Portfolio did not engage in derivatives transactions for the year ended December 31, 2009.

### 2. Currency Transactions

The Portfolio may invest in non-U.S. Dollar securities on a currency hedged or unhedged basis. The Portfolio may seek investment opportunities by taking long or short positions in currencies through the use of currency-related derivatives, including forward currency exchange contracts, futures and options on futures, swaps, and options. The Portfolio may enter into transactions for investment opportunities when it anticipates that a foreign currency will appreciate or depreciate in value but securities denominated in that currency are not held by the Portfolio and do not present attractive investment opportunities. Such transactions may also be used when the Adviser believes that it may be more efficient than a direct investment in a foreign currency-denominated security. The Portfolio may also conduct currency exchange contracts on a spot basis (i.e., for cash at the spot rate prevailing in the currency exchange market for buying or selling currencies).

### NOTE E: Capital Stock

Each class consists of 500,000,000 authorized shares. Transactions in capital shares for each class were as follows:

	SHARES		AMOUNT	
	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2008
<b>Class A</b>				
Shares sold .....	1,700,949	440,141	\$12,848,445	\$ 5,244,022
Shares issued in reinvestment of dividends and distributions .....	215,714	892,904	1,514,312	11,572,040
Shares redeemed .....	(1,007,279)	(1,351,097)	(7,211,170)	(16,525,963)
Net increase (decrease) .....	<u>909,384</u>	<u>(18,052)</u>	<u>\$ 7,151,587</u>	<u>\$ 290,099</u>
<b>Class B</b>				
Shares sold .....	254,991	199,003	\$ 1,982,458	\$ 2,382,465
Shares issued in reinvestment of dividends and distributions .....	64,257	380,750	453,013	4,942,137
Shares redeemed .....	(437,864)	(542,219)	(3,160,443)	(6,687,442)
Net increase (decrease) .....	<u>(118,616)</u>	<u>37,534</u>	<u>\$ (724,972)</u>	<u>\$ 637,160</u>

### NOTE F: Risks Involved in Investing in the Portfolio

**Concentration of Risk**—Although the Portfolio does not invest directly in real estate, it invests primarily in real estate equity securities and has a policy of concentration of its investments in the real estate industry. Therefore, an investment in the Portfolio is subject to certain risks associated with the direct ownership of real estate and with the real estate industry in general. To the extent that assets underlying the Portfolio's investments are concentrated geographically, by property type or in certain other respects, the Portfolio may be subject to additional risks.

In addition, investing in Real Estate Investment Trusts ("REITs") involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs are dependent upon management skills, are not diversified, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs are also subject to the possibilities of failing to qualify for tax-free pass-through of income under the Code and failing to maintain their exemptions from registration under the 1940 Act. REITs (especially mortgage REITs) also are subject to interest rate risks.

**Currency Risk**—This is the risk that changes in foreign currency exchange rates may negatively affect the value of the Portfolio's investments or reduce the returns of the Portfolio. For example, the value of the Portfolio's investments in foreign currency-denominated securities or currencies may decrease if the U.S. Dollar is strong (i.e., gaining value relative to other currencies) and other currencies are weak (i.e., losing value relative to the U.S. Dollar). Currency markets are generally not

as regulated as securities markets. Independent of the Portfolio’s investments denominated in foreign currencies, the Portfolio’s positions in various foreign currencies may cause the Portfolio to experience investment losses due to the changes in exchange rates and interest rates.

**Derivatives Risk**—The Portfolio may invest in derivatives such as forwards, options, futures and swaps. These investments may be illiquid, difficult to price, and leveraged so that small changes may produce disproportionate losses for the Portfolio, and subject to counterparty risk to a greater degree than more traditional investments.

**Indemnification Risk**—In the ordinary course of business, the Portfolio enters into contracts that contain a variety of indemnifications. The Portfolio’s maximum exposure under these arrangements is unknown. However, the Portfolio has not had prior claims or losses pursuant to these indemnification provisions and expects the risk of loss thereunder to be remote. As such, the Portfolio has not accrued any liability in connection with these indemnification provisions.

**NOTE G: Joint Credit Facility**

A number of open-end mutual funds managed by the Adviser, including the Portfolio, participate in a \$140 million revolving credit facility (the “Facility”) intended to provide short-term financing, if necessary, subject to certain restrictions in connection with abnormal redemption activity. Commitment fees related to the Facility are paid by the participating funds and are included in miscellaneous expenses in the statement of operations. The Portfolio did not utilize the Facility during the year ended December 31, 2009.

**NOTE H: Distributions to Shareholders**

The tax character of distributions paid during the fiscal years ended December 31, 2009 and December 31, 2008 were as follows:

	<b>2009</b>	<b>2008</b>
Distributions paid from:		
Ordinary income .....	\$1,138,748	\$ 1,057,062
Long-term capital gains .....	828,577	15,457,115
Total taxable distributions .....	1,967,325	16,514,177
Total distributions paid .....	\$1,967,325	\$16,514,177

As of December 31, 2009, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed ordinary income .....	\$ 926,743	
Accumulated capital and other losses .....		(6,947,453)(a)
Unrealized appreciation/(depreciation) .....		11,362,803(b)
Total accumulated earnings/(deficit) .....		\$ 5,342,093(c)

(a) On December 31, 2009, the Portfolio had a net capital loss carryforward for federal income tax purposes of \$6,947,453 which expires in the year 2017. To the extent future capital gains are offset by capital loss carryforwards, such gains will not be distributed.

(b) The difference between book-basis and tax-basis unrealized appreciation/(depreciation) is attributable primarily to the tax deferral of losses on wash sales.

(c) The difference between book-basis and tax-basis components of accumulated earnings/(deficit) is attributable to deferred income from an underlying security.

During the current fiscal year, permanent differences primarily due to a distribution reclassification, resulted in a net decrease in undistributed net investment income, and a corresponding net decrease in accumulated net realized loss on investment transactions. This reclassification had no effect on net assets.

**NOTE I: Legal Proceedings**

On October 2, 2003, a purported class action complaint entitled *Hindo, et al. v. AllianceBernstein Growth & Income Fund, et al.* (“Hindo Complaint”) was filed against the Adviser, Alliance Capital Management Holding L.P. (“Alliance Holding”),

# ***REAL ESTATE INVESTMENT PORTFOLIO NOTES TO FINANCIAL STATEMENTS***

*(continued)*

*AllianceBernstein Variable Products Series Fund*

---

Alliance Capital Management Corporation, AXA Financial, Inc., the AllianceBernstein Funds, certain officers of the Adviser (“AllianceBernstein defendants”), and certain other unaffiliated defendants, as well as unnamed Doe defendants. The *Hindo* Complaint was filed in the United States District Court for the Southern District of New York by alleged shareholders of two of the AllianceBernstein Funds. The *Hindo* Complaint alleges that certain of the AllianceBernstein defendants failed to disclose that they improperly allowed certain hedge funds and other unidentified parties to engage in “late trading” and “market timing” of AllianceBernstein Fund securities, violating Sections 11 and 15 of the Securities Act, Sections 10(b) and 20(a) of the Exchange Act and Sections 206 and 215 of the Advisers Act. Plaintiffs seek an unspecified amount of compensatory damages and rescission of their contracts with the Adviser, including recovery of all fees paid to the Adviser pursuant to such contracts.

Following October 2, 2003, 43 additional lawsuits making factual allegations generally similar to those in the *Hindo* Complaint were filed in various federal and state courts against the Adviser and certain other defendants. On September 29, 2004, plaintiffs filed consolidated amended complaints with respect to four claim types: mutual fund shareholder claims; mutual fund derivative claims; derivative claims brought on behalf of Alliance Holding; and claims brought under ERISA by participants in the Profit Sharing Plan for Employees of the Adviser. All four complaints include substantially identical factual allegations, which appear to be based in large part on the Order of the SEC dated December 18, 2003 as amended and restated January 15, 2004 (“SEC Order”) and the New York State Attorney General Assurance of Discontinuance dated September 1, 2004 (“NYAG Order”).

On April 21, 2006, the Adviser and attorneys for the plaintiffs in the mutual fund shareholder claims, mutual fund derivative claims, and ERISA claims entered into a confidential memorandum of understanding containing their agreement to settle these claims. The agreement will be documented by a stipulation of settlement and will be submitted for court approval at a later date. The settlement amount (\$30 million), which the Adviser previously accrued and disclosed, has been disbursed. The derivative claims brought on behalf of Alliance Holding, in which plaintiffs seek an unspecified amount of damages, remain pending.

It is possible that these matters and/or other developments resulting from these matters could result in increased redemptions of the AllianceBernstein Mutual Funds’ shares or other adverse consequences to the AllianceBernstein Mutual Funds. This may require the AllianceBernstein Mutual Funds to sell investments held by those funds to provide for sufficient liquidity and could also have an adverse effect on the investment performance of the AllianceBernstein Mutual Funds. However, the Adviser believes that these matters are not likely to have a material adverse effect on its ability to perform advisory services relating to the AllianceBernstein Mutual Funds.

## **NOTE J: Subsequent Events**

Management has evaluated subsequent events for possible recognition or disclosure in the financial statements through February 12, 2010 the date the financial statements are issued. Management has determined that there are no material events that would require disclosure in the Portfolio’s financial statements through this date.

**REAL ESTATE INVESTMENT PORTFOLIO**  
**FINANCIAL HIGHLIGHTS**

*AllianceBernstein Variable Products Series Fund*

**Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period**

	<b>CLASS A</b>				
	Year Ended December 31,				
	2009	2008	2007	2006	2005
Net asset value, beginning of period .....	\$7.86	\$16.23	\$22.83	\$19.98	\$20.66
<b><u>Income From Investment Operations</u></b>					
Net investment income (a) .....	.19	.26	.22	.29	.32
Net realized and unrealized gain (loss) on investment transactions .....	1.98	(4.38)	(2.91)	6.02	1.84
Net increase (decrease) in net asset value from operations .....	2.17	(4.12)	(2.69)	6.31	2.16
<b><u>Less: Dividends and Distributions</u></b>					
Dividends from net investment income .....	(.23)	(.26)	(.30)	(.47)	(.68)
Distributions from net realized gain on investment transactions .....	(.16)	(3.99)	(3.61)	(2.99)	(2.16)
Total dividends and distributions .....	(.39)	(4.25)	(3.91)	(3.46)	(2.84)
Net asset value, end of period .....	\$9.64	\$7.86	\$16.23	\$22.83	\$19.98
<b><u>Total Return</u></b>					
Total investment return based on net asset value (b) .....	29.46%	(35.68)%	(14.53)%	35.22%	11.67%
<b><u>Ratios/Supplemental Data</u></b>					
Net assets, end of period (000's omitted) .....	\$38,317	\$24,082	\$50,015	\$80,317	\$67,161
Ratio to average net assets of:					
Expenses .....	1.25%	1.01%	.85%	.83%(c)	.83%
Net investment income .....	2.50%	2.13%	1.09%	1.33%(c)	1.64%
Portfolio turnover rate .....	94%	46%	51%	47%	46%

See footnote summary on page 18.

**REAL ESTATE INVESTMENT PORTFOLIO  
FINANCIAL HIGHLIGHTS**

(continued)

AllianceBernstein Variable Products Series Fund

**Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period**

	<b>CLASS B</b>				
	Year Ended December 31,				
	2009	2008	2007	2006	2005
Net asset value, beginning of period .....	\$7.86	\$16.20	\$22.80	\$19.94	\$20.54
<b><u>Income From Investment Operations</u></b>					
Net investment income (a) .....	.20	.22	.16	.22	.38
Net realized and unrealized gain (loss) on investment transactions .....	1.97	(4.37)	(2.90)	6.03	1.72
Net increase (decrease) in net asset value from operations .....	2.17	(4.15)	(2.74)	6.25	2.10
<b><u>Less: Dividends and Distributions</u></b>					
Dividends from net investment income .....	(.20)	(.20)	(.25)	(.40)	(.54)
Distributions from net realized gain on investment transactions .....	(.16)	(3.99)	(3.61)	(2.99)	(2.16)
Total dividends and distributions .....	(.36)	(4.19)	(3.86)	(3.39)	(2.70)
Net asset value, end of period .....	\$9.67	\$7.86	\$16.20	\$22.80	\$19.94
<b><u>Total Return</u></b>					
Total investment return based on net asset value (b) .....	29.22%	(35.82)%	(14.76)%	34.88%	11.40%
<b><u>Ratios/Supplemental Data</u></b>					
Net assets, end of period (000's omitted) .....	\$12,517	\$11,104	\$22,281	\$33,461	\$24,875
Ratio to average net assets of:					
Expenses .....	1.53%	1.26%	1.10%	1.08%(c)	1.06%
Net investment income .....	2.67%	1.83%	.80%	1.04%(c)	2.11%
Portfolio turnover rate .....	94%	46%	51%	47%	46%

(a) Based on average shares outstanding.

(b) Total investment return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption on the last day of the period. Total return does not reflect (i) insurance company's separate account related expense charges and (ii) the deductions of taxes that a shareholder would pay on Portfolio distributions or the redemption of Portfolio shares. Total investment return calculated for a period of less than one year is not annualized.

(c) The ratio includes expenses attributable to costs of proxy solicitation.

See notes to financial statements.

**REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM**

*AllianceBernstein Variable Products Series Fund*

---

**To the Board of Directors of  
AllianceBernstein Variable Products Series Fund, Inc.  
and Shareholders of AllianceBernstein Real Estate Investment Portfolio:**

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of AllianceBernstein Real Estate Investment Portfolio (one of the portfolios constituting the AllianceBernstein Variable Products Series Fund, Inc.) (the "Portfolio") as of December 31, 2009, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Portfolio's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Portfolio's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Portfolio's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2009 by correspondence with the custodian and others, or by other appropriate auditing procedures where replies from others were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the AllianceBernstein Real Estate Investment Portfolio of the AllianceBernstein Variable Products Series Fund, Inc. at December 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

*Ernst & Young LLP*

New York, New York  
February 12, 2010

***TAX INFORMATION (unaudited)***

*AllianceBernstein Variable Products Series Fund*

---

For the year ended December 31, 2009, the Portfolio designates from distributions paid \$828,577 as capital gain dividends.

# **REAL ESTATE INVESTMENT PORTFOLIO**

*AllianceBernstein Variable Products Series Fund*

---

## **BOARD OF DIRECTORS**

**William H. Foulk, Jr.**<sup>(1)</sup>, *Chairman*

**John H. Dobkin**<sup>(1)</sup>

**Michael J. Downey**<sup>(1)</sup>

**D. James Guzy**<sup>(1)</sup>

**Nancy P. Jacklin**<sup>(1)</sup>

**Garry L. Moody**<sup>(1)</sup>

**Marshall C. Turner, Jr.**<sup>(1)</sup>

**Earl D. Weiner**<sup>(1)</sup>

## **OFFICERS**

**Robert M. Keith**, *President and Chief Executive Officer*

**Philip L. Kirstein**, *Senior Vice President and Independent Compliance Officer*

**Teresa Marziano**<sup>(2)</sup>, *Vice President*

**Joseph G. Paul**<sup>(2)</sup>, *Vice President*

**Emilie D. Wrapp**, *Secretary*

**Joseph J. Mantineo**, *Treasurer and Chief Financial Officer*

**Phyllis J. Clarke**, *Controller*

## **CUSTODIAN and ACCOUNTING AGENT**

**State Street Bank and Trust Company**

One Lincoln Street  
Boston, MA 02111

## **LEGAL COUNSEL**

**Seward & Kissel LLP**

One Battery Park Plaza  
New York, NY 10004

## **DISTRIBUTOR**

**AllianceBernstein Investments, Inc.**

1345 Avenue of the Americas  
New York, NY 10105

## **TRANSFER AGENT**

**AllianceBernstein Investor Services, Inc.**

P.O. Box 786003  
San Antonio, TX 78278-6003  
Toll-Free 1-(800) 221-5672

## **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**Ernst & Young LLP**

5 Times Square  
New York, NY 10036

---

(1) Member of the Audit Committee, the Governance and Nominating Committee and the Independent Directors Committee. Mr. Foulk is the sole member of the Fair Value Pricing Committee.

(2) The day-to-day management of, and investment decisions for, the Portfolio's portfolio are made by the Global REIT Senior Investment Management Team. Mr. Joseph G. Paul and Ms. Teresa Marziano are the investment professionals with the most significant responsibility for the day-to-day management of the Portfolio's portfolio.

**REAL ESTATE INVESTMENT  
PORTFOLIO**

*AllianceBernstein Variable Products Series Fund*

**MANAGEMENT OF THE FUND**

**Board of Directors Information**

The business and affairs of the Fund are managed under the direction of the Board of Directors. Certain information concerning the Fund's Directors is set forth below.

NAME, ADDRESS*, AGE AND (YEAR ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER DIRECTORSHIP HELD BY DIRECTOR
<b>DISINTERESTED DIRECTORS</b>			
William H. Foulk, Jr., #, *** <i>Chairman of the Board</i> 77 (1990)	Investment Adviser and an Independent Consultant. Previously, he was Senior Manager of Barrett Associates, Inc., a registered investment adviser, with which he had been associated since prior to 2005. He was formerly Deputy Comptroller and Chief Investment Officer of the State of New York and, prior thereto, Chief Investment Officer of the New York Bank for Savings.	90	None
John H. Dobkin, # 68 (1992)	Consultant. Formerly, President of Save Venice, Inc. (preservation organization) from 2001–2002, Senior Advisor from June 1999–June 2000 and President of Historic Hudson Valley (historic preservation) from December 1989–May 1999. Previously, Director of the National Academy of Design.	88	None
Michael J. Downey, # 66 (2005)	Private Investor since prior to 2005. Formerly, managing partner of Lexington Capital, LLC (investment advisory firm) from December 1997 until December 2003. From 1987 until 1993, thereto, Chairman and CEO of Prudential Mutual Fund Management.	88	Asia Pacific Fund, Inc. and The Merger Fund
D. James Guzy, # 73 (2005)	Chairman of the Board of PLX Technology (semi-conductors) and of SRC Computers Inc., with which he has been associated since prior to 2005. He was formerly a Director of the Intel Corporation (semi-conductors) until May 2008.	88	Cirrus Logic Corporation (semi-conductors)
Nancy P. Jacklin, # 61 (2006)	Professorial Lecturer at the Johns Hopkins School of Advanced International Studies in the 2009–2010 academic year. Formerly, U.S. Executive Director of the International Monetary Fund (December 2002–May 2006); Partner, Clifford Chance (1992–2002); Sector Counsel, International Banking and Finance, and Associate General Counsel, Citicorp (1985–1992); Assistant General Counsel (International), Federal Reserve Board of Governors (1982–1985); and Attorney Advisor, U.S. Department of the Treasury (1973–1982). Member of the Bar of the District of Columbia and of New York; and member of the Council on Foreign Relations.	88	None

*AllianceBernstein Variable Products Series Fund*

NAME, ADDRESS*, AGE AND (YEAR ELECTED**)	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR	OTHER DIRECTORSHIP HELD BY DIRECTOR
<b>DISINTERESTED DIRECTORS</b> (continued)			
Garry L. Moody, # 57 (2008)	Formerly, Partner, Deloitte & Touche LLP, Vice Chairman, and U.S. and Global Managing Partner, Investment Management Services Group 1995–2008.	87	None
Marshall C. Turner, Jr., # 68 (2005)	Interim CEO of MEMC Electronic Materials, Inc. (semi-conductor and solar cell substrates) from November 2008 until March 2, 2009. He was Chairman and CEO of Dupont Photomasks, Inc. (components of semi-conductor manufacturing), 2003–2005, and President and CEO, 2005–2006, after the company was renamed Toppan Photomasks, Inc.	88	Xilinx, Inc. (programmable logic semi-conductors) and MEMC Electronic Materials, Inc.
Earl D. Weiner, # 70 (2007)	Of Counsel, and Partner prior to January 2007, of the law firm Sullivan & Cromwell LLP and member of ABA Federal Regulation of Securities Committee Task Force on Fund Director’s Guidebook.	88	None

\* *The address for each of the Fund’s disinterested Directors is c/o AllianceBernstein L.P., Attention: Philip L. Kirstein, 1345 Avenue of the Americas, New York, NY 10105.*

\*\* *There is no stated term of office for the Fund’s Directors.*

# *Member of the Audit Committee, the Governance and Nominating Committee and the Independent Directors Committee.*

\*\*\* *Member of the Fair Value Pricing Committee.*

**REAL ESTATE INVESTMENT PORTFOLIO  
MANAGEMENT OF THE FUND**

*(continued)*

*AllianceBernstein Variable Products Series Fund*

**Officer Information**

Certain information concerning the Fund's Officers is listed below.

<b>NAME, ADDRESS* AND AGE</b>	<b>PRINCIPAL POSITION(S) HELD WITH FUND</b>	<b>PRINCIPAL OCCUPATION DURING PAST 5 YEARS</b>
Robert M. Keith 49	President and Chief Executive Officer	Executive Vice President of the Adviser** and head of AllianceBernstein Investments, Inc. ("ABI")** since July 2008; Director of ABI and the President of the AllianceBernstein Mutual Funds. Previously, he served as Executive Managing Director of ABI from December 2006 to June 2008. Prior to joining ABI in 2006, Executive Managing Director of Bernstein Global Wealth Management, and prior thereto, Senior Managing Director and Global Head of Client Service and Sales of AllianceBernstein's institutional investment management business since 2004. Prior thereto, a Managing Director and Head of North American Client Service and Sales in AllianceBernstein's institutional investment management business, with which he had been associated since prior to 2005.
Philip L. Kirstein 64	Senior Vice President and Independent Compliance Officer	Senior Vice President and Independent Compliance Officer of the AllianceBernstein Funds, with which he has been associated since October 2004. Prior thereto, he was Of Counsel to Kirkpatrick & Lockhart, LLP from October 2003 to October 2004, and General Counsel of Merrill Lynch Investment Managers, L.P. since prior to 2005.
Teresa Marziano 55	Vice President	Senior Vice President of the Adviser**, with which she has been associated since prior to 2005.
Joseph G. Paul 50	Vice President	Senior Vice President of the Adviser**, with which he has been associated since prior to 2005.
Emilie D. Wrapp 54	Secretary	Senior Vice President, Assistant General Counsel and Assistant Secretary of ABI**, with which she has been associated since prior to 2005.
Joseph J. Mantineo 50	Treasurer and Chief Financial Officer	Senior Vice President of AllianceBernstein Investor Services, Inc. ("ABIS")**, with which he has been associated since prior to 2005.
Phyllis J. Clarke 49	Controller	Vice President of ABIS**, with which she has been associated since prior to 2005.

\* The address for each of the Fund's Officers is 1345 Avenue of the Americas, New York, NY 10105.

\*\* The Adviser, ABI and ABIS are affiliates of the Fund.

The Fund's Statement of Additional Information ("SAI") has additional information about the Fund's Directors and Officers and is available without charge upon request. Contact your financial representative or AllianceBernstein at (800) 227-4618 for a free prospectus or SAI.

# REAL ESTATE INVESTMENT PORTFOLIO

## SENIOR OFFICER FEE EVALUATION *AllianceBernstein Variable Products Series Fund*

### THE FOLLOWING IS NOT PART OF THE SHAREHOLDER REPORT OR THE FINANCIAL STATEMENTS

#### SUMMARY OF SENIOR OFFICER'S EVALUATION OF INVESTMENT ADVISORY AGREEMENT<sup>1</sup>

The following is a summary of the evaluation of the Investment Advisory Agreement between AllianceBernstein L.P. (the "Adviser") and the AllianceBernstein Variable Products Series Fund (the "Fund"), in respect of AllianceBernstein Real Estate Investment Portfolio (the "Portfolio").<sup>2</sup> The evaluation of the Investment Advisory Agreement was prepared by Philip L. Kirstein, the Senior Officer of the Fund, for the Directors of the Fund, as required by a September 2004 agreement between the Adviser and the New York State Attorney General (the "NYAG"). The Senior Officer's evaluation of the Investment Advisory Agreement is not meant to diminish the responsibility or authority of the Board of Directors of the Fund to perform its duties pursuant to Section 15 of the Investment Company Act of 1940 (the "40 Act") and applicable state law. The purpose of the summary is to provide shareholders with a synopsis of the independent evaluation of the reasonableness of the advisory fees proposed to be paid by the Portfolio which was provided to the Directors in connection with their review of the proposed approval of the continuance of the Investment Advisory Agreement. The Senior Officer's evaluation considered the following factors:

1. Advisory fees charged to institutional and other clients of the Adviser for like services;
2. Advisory fees charged by other mutual fund companies for like services;
3. Costs to the Adviser and its affiliates of supplying services pursuant to the advisory agreement, excluding any intra-corporate profit;
4. Profit margins of the Adviser and its affiliates from supplying such services;
5. Possible economies of scale as the Portfolio grows larger; and
6. Nature and quality of the Adviser's services including the performance of the Portfolio.

#### PORTFOLIO ADVISORY FEES, NET ASSETS & EXPENSE RATIOS

The Adviser proposed that the Portfolio pay the advisory fee set forth in the table below for receiving the services to be provided pursuant to the Investment Advisory Agreement. The fee schedule below, implemented in January 2004 in consideration of the Adviser's settlement with the NYAG in December 2003, is based on a master schedule that contemplates eight categories of funds with almost all funds in each category having the same advisory fee schedule.<sup>3</sup>

Category	Advisory Fee Based on % of Average Daily Net Assets	Net Assets 02/28/09 (\$MIL)	Portfolio
Value	55 bp on 1st \$2.5 billion 45 bp on next \$2.5 billion 40 bp on the balance	\$22.6	Real Estate Investment Portfolio

The Adviser is reimbursed as specified in the Investment Advisory Agreement for certain clerical, legal, accounting, administrative and other services provided to the Portfolio. During the Portfolio's most recently completed fiscal year, the Adviser received \$91,000 (0.16% of the Portfolio's average daily net assets) for such services.

Set forth below are the Portfolio's total expense ratios for the most recently completed fiscal year:

Portfolio	Total Expense Ratio	Fiscal Year
Real Estate Investment Portfolio	Class A 1.01% Class B 1.26%	December 31

<sup>1</sup> It should be noted that the information in the fee summary was completed on April 23, 2009 and presented to the Board of Directors on May 5-7, 2009.

<sup>2</sup> Future references to the Fund and the Portfolio do not include "AllianceBernstein." References in the fee summary pertaining to performance and expense ratio rankings refer to the Class A shares of the Portfolio.

<sup>3</sup> The AllianceBernstein Mutual Funds, which the Adviser manages, were also affected by the Adviser's settlement with the NYAG.

# REAL ESTATE INVESTMENT PORTFOLIO

## SENIOR OFFICER FEE EVALUATION

(continued)

AllianceBernstein Variable Products Series Fund

### I. ADVISORY FEES CHARGED TO INSTITUTIONAL AND OTHER CLIENTS

The advisory fees charged to investment companies which the Adviser manages and sponsors are normally higher than those charged to similar sized institutional accounts, including pension plans and sub-advised investment companies. The fee differential reflects, among other things, different services provided to such clients, and different liabilities assumed. Services provided by the Adviser to the Portfolio that are not provided to non-investment company clients and sub-advised investment companies include providing office space and personnel to serve as Fund Officers, who among other responsibilities make the certifications required under the Sarbanes–Oxley Act of 2002, and coordinating with and monitoring the Portfolio’s third party service providers such as Fund counsel, auditors, custodians, transfer agents and pricing services. The accounting, administrative, legal and compliance requirements for the Portfolio are more costly than those for institutional assets due to the greater complexities and time required for investment companies, although as previously noted, a portion of these expenses are reimbursed by the Portfolio to the Adviser. Also, retail mutual funds managed by the Adviser are widely held. Servicing the Portfolio’s investors is more time consuming and labor intensive compared to institutional clients since the Adviser needs to communicate with a more extensive network of financial intermediaries and shareholders. The Adviser also believes that it incurs substantial entrepreneurial risk when offering a new mutual fund since establishing a new mutual fund requires a large upfront investment, and it may take a long time for the fund to achieve profitability since the fund must be priced to scale from inception in order to be competitive and assets are acquired one account at a time. In addition, managing the cash flow of an investment company may be more difficult than managing that of a stable pool of assets, such as an institutional account with little cash movement in either direction, particularly, if a fund is in net redemption and the Adviser is frequently forced to sell securities to raise cash for redemptions. However, managing a fund with positive cash flow may be easier at times than managing a stable pool of assets. Finally, in recent years, investment advisers have been sued by institutional clients and have suffered reputational damage both by the attendant publicity and outcomes other than complete victories. Accordingly, the legal and reputational risks associated with institutional accounts are greater than previously thought, although still not equal to those related to the mutual fund industry.

Notwithstanding the Adviser’s view that managing an investment company is not comparable to managing other institutional accounts because the services provided are different and legal and reputational risks are greater, it is worth considering information regarding the advisory fees charged to institutional accounts with a similar investment style as the Portfolio.<sup>4</sup> In addition to the AllianceBernstein Institutional fee schedule, set forth below is what would have been the effective advisory fee of the Portfolio had the AllianceBernstein Institutional fee schedule been applicable to the Portfolio versus the Portfolio’s advisory fee based on February 28, 2009 net assets:

Portfolio	Net Assets 02/28/09 (\$MIL)	AllianceBernstein (“AB”) Institutional (“Inst.”) Fee Schedule	Effective AB Inst. Adv. Fee (%) <sup>5</sup>	Portfolio Advisory Fee (%)
Real Estate Investment Portfolio	\$22.6	U.S. REIT Strategy Schedule 70 bp on 1st \$25m 60 bp on next \$25m 50 bp on next \$25m negotiable on the balance <i>Minimum account size \$25m</i>	0.700	0.550

<sup>4</sup> The Adviser has indicated that with respect to institutional accounts with assets greater than \$75 million, it will negotiate a fee schedule. Discounts that are negotiated vary based upon each client relationship.

<sup>5</sup> Assumes 50 bp on the balance.

*AllianceBernstein Variable Products Series Fund*

The Adviser also manages AllianceBernstein Global Real Estate Investment Fund, Inc. a retail mutual fund, which has a somewhat similar investment style as the Portfolio. Set forth below is the fee schedule of AllianceBernstein Global Real Estate Investment Fund, Inc.<sup>6</sup> Also shown is what would have been the effective advisory fee of the Portfolio had the fee schedule of the AllianceBernstein Global Real Estate Investment Fund, Inc. been applicable to the Portfolio:

Portfolio	AllianceBernstein Mutual Fund (“ABMF”)	Fee Schedule	Effective ABMF Adv. Fee (%)	Effective Portfolio Adv. Fee (%)
Real Estate Investment Portfolio <sup>7</sup>	Global Real Estate Investment Fund, Inc.	0.55% on first \$2.5 billion 0.45% on next \$2.5 billion 0.40% on the balance	0.550	0.550

The Adviser also manages and sponsors retail mutual funds, which are organized in jurisdictions outside the United States, generally Luxembourg and Japan, and sold to non-United States resident investors. The Adviser charges the following fees for the Global Real Estate Securities Portfolio, which is a Luxembourg fund that has a somewhat similar investment style as the Portfolio<sup>8</sup>. It should be noted that Class A shares of the funds are charged an “all-in” fee, which covers investment advisory services and distribution related services, unlike Class I shares, whose fee is for only investment advisory services.

Fund	Fee
Global Real Estate Securities Portfolio Class A	1.75%
Global Real Estate Securities Portfolio Class I (Institutional)	0.95%

The Adviser represented that it does not sub-advise any registered investment company with a substantially similar investment style as the Portfolio.

**II. MANAGEMENT FEES CHARGED BY OTHER MUTUAL FUND COMPANIES FOR LIKE SERVICES.**

Lipper, Inc. (“Lipper”), an analytical service that is not affiliated with the Adviser, compared the fees charged to the Portfolio with fees charged to other investment companies for similar services offered by other investment advisers. Lipper’s analysis included the Portfolio’s ranking with respect to the proposed management fee relative to the median of the Portfolio’s Lipper Expense Group (“EG”)<sup>9</sup> at the approximate current asset level of the Portfolio.<sup>10</sup>

Lipper describes an EG as a representative sample of comparable funds. Lipper’s standard methodology for screening funds to be included in an EG entails the consideration of several fund criteria, including fund type, investment classification/objective, load type and similar 12b-1/non-12b-1 service fees, asset (size) comparability, expense components and attributes. An EG will typically consist of seven to twenty funds.

Portfolio	Contractual Management Fee <sup>11</sup>	Lipper Exp. Group Median (%)	Rank
Real Estate Investment Portfolio	0.550	0.844	1/14

6 It should be noted that the AllianceBernstein Mutual Fund was also affected by the settlement between the Adviser and the NYAG. As a result, the Portfolio has the same breakpoints in its advisory fee schedule as the AllianceBernstein Mutual Fund.

7 It should be noted that the Portfolio’s investment guidelines are more restrictive than that of AllianceBernstein Global Real Estate Investment Fund, Inc. The Portfolio primarily invests in equity securities of U.S. real estate investment trusts (“REITS”) and other U.S. real estate industry companies, in contrast to the AllianceBernstein Global Real Estate Investment Fund, Inc., which may invest in equities of non-U.S. REITS and other non-U.S. real estate industry companies.

8 It should be noted that the Portfolio’s investment guidelines are more restrictive than that of the Luxembourg fund. The Portfolio primarily invests in equity securities of U.S. real estate investment trusts (“REITS”) and other U.S. real estate industry companies, in contrast to the Luxembourg fund, which may invest in equities of non-U.S. REITS and other non-U.S. real estate industry companies.

9 It should be noted that Lipper does not consider average account size when constructing EGs. Funds with relatively small average account sizes tend to have higher transfer agent expense ratios than comparable sized funds that have relatively large average account sizes. Note that there are limitations on Lipper expense category data because different funds categorize expenses differently.

10 The contractual management fee is calculated by Lipper using the Portfolio’s contractual management fee rate at a hypothetical asset level. The hypothetical asset level is based on the combined net assets of all classes of the Portfolio, rounded up to the next \$25 million. Lipper’s total expense ratio information is based on the most recent annual report except as otherwise noted. A ranking of “1” would mean that the Portfolio had the lowest effective fee rate in the Lipper peer group.

11 The contractual management fee does not reflect any expense reimbursements made by the Portfolio to the Adviser for certain clerical, legal, accounting, administrative and other services.

# REAL ESTATE INVESTMENT PORTFOLIO

## SENIOR OFFICER FEE EVALUATION

(continued)

AllianceBernstein Variable Products Series Fund

Lipper also analyzed the Portfolio's most recently completed fiscal year total expense ratio in comparison to the Portfolio's EG and Lipper Expense Universe ("EU"). The EU<sup>12</sup> is a broader group compared to the EG, consisting of all funds that have the same investment classification/objective and load type as the subject Portfolio.

It should be noted that Lipper uses expense ratio data from financial statements of the most current fiscal year in their database. This has several implications: the total expense ratio of each fund that Lipper uses in their report is based on each fund's average net assets during its fiscal year. Since funds have different fiscal year ends, the total expense ratios of the funds may cover different twelve month periods, depending on the funds' fiscal year ends. This is the process that Lipper utilizes but given bear market conditions during 2008, especially the last three months of 2008, the effects on the funds' total expense ratio caused by the differences in fiscal year ends may be more pronounced in 2008 compared to other years under more normal market conditions.<sup>13</sup>

Portfolio	Expense Ratio (%) <sup>14</sup>	Lipper Exp. Group Median (%)	Lipper Group Rank	Lipper Exp. Universe Median (%)	Lipper Universe Rank
Real Estate Investment Portfolio	1.014	0.964	11/14	0.936	17/22

Based on this analysis, the Portfolio has a more favorable ranking on a management fee basis than it does on a total expense ratio basis.

### III. COSTS TO THE ADVISER AND ITS AFFILIATES OF SUPPLYING SERVICES PURSUANT TO THE ADVISORY FEE ARRANGEMENT, EXCLUDING ANY INTRA-CORPORATE PROFIT.

The Adviser utilizes two profitability reporting systems, which operate independently but are aligned with each other, to estimate the Adviser's profitability in connection with investment advisory services provided to the Portfolio. The Senior Officer has retained a consultant to provide independent advice regarding the alignment of the two profitability systems as well as the methodologies and allocations utilized by both profitability systems. See Section IV for additional discussion.

### IV. PROFIT MARGINS OF THE ADVISER AND ITS AFFILIATES FOR SUPPLYING SUCH SERVICES.

The Portfolio's profitability information, prepared by the Adviser for the Board of Directors, was reviewed by the Senior Officer and the consultant. The Adviser's profitability from providing investment advisory services to the Portfolio decreased during calendar year 2008, relative to 2007.

In addition to the Adviser's direct profits from managing the Portfolio, certain of the Adviser's affiliates have business relationships with the Portfolio and may earn a profit from providing other services to the Portfolio. The courts have referred to this type of business opportunity as "fall-out benefits" to the Adviser and indicated that such benefits should be factored into the evaluation of the total relationship between the Portfolio and the Adviser. Neither case law nor common business practice precludes the Adviser's affiliates from earning a reasonable profit on this type of relationship provided the affiliates' charges and services are competitive. These affiliates provide transfer agent, distribution and brokerage related services to the Portfolio and receive transfer agent fees, Rule 12b-1 payments and brokerage commissions. In addition, the Adviser benefits from soft dollar arrangements which offset expenses the Adviser would otherwise incur.

The Portfolio has adopted a distribution plan for Class B shares pursuant to Rule 12b-1 under the 40 Act. Under the distribution plan, the Portfolio pays distribution and servicing fees to its principal underwriter, AllianceBernstein Investments, Inc. ("ABI"), at an annual rate of up to 0.50% of the Portfolio's average daily net assets attributable to Class B shares. The current annual rate that the Portfolio pays to ABI for 12b-1 fees is 0.25%. During the fiscal year ended December 31, 2008, AllianceBernstein Investments, Inc. ("ABI"), the Portfolio's distributor and an affiliate of the Adviser, received \$44,828 in Rule 12b-1 fees.

The Adviser may compensate ABI for payments made by ABI to brokers for registration fees and services related to printing, distribution and advertising in connection with Class B shares. During the fiscal year ended December 31, 2008, the Adviser determined that it made payments in the amount of \$80,055 on behalf of the Portfolio to ABI.

<sup>12</sup> Except for asset (size) comparability, Lipper uses the same criteria for selecting an EG when selecting an EU. Unlike the EG, the EU allows for the same adviser to be represented by more than just one fund.

<sup>13</sup> To cite an example, the average net assets and total expense ratio of a fund with a fiscal year end of March 31, 2008 will not be reflective of the market declines that occurred in the second half of 2008, in contrast to a fund with a fiscal year end of December 31, 2008.

<sup>14</sup> Most recently completed fiscal year end Class A total expense ratio.

Financial intermediaries, such as insurers, market and sell shares of the Portfolio and typically receive compensation from ABI, the Advisers and/or the Portfolio for selling shares of the Portfolio. These financial intermediaries receive compensation in any or all of the following forms: 12b-1 fees, defrayal of costs for educational seminars and training, additional distribution support, recordkeeping and/or administrative services. Payments related to providing contract-holder recordkeeping and/or administrative services will generally not exceed 0.35% of the average daily net assets of the Portfolio attributable to the relevant intermediary over the year.

The transfer agent of the Portfolio is AllianceBernstein Investor Services, Inc. (“ABIS”). During the most recently completed fiscal year, ABIS received a fee of \$969 from the Portfolio.<sup>15</sup>

The Portfolio may affect brokerage transactions in the future through the Adviser’s affiliate, Sanford C. Bernstein & Co., LLC (“SCB & Co.”) and/or its U.K. affiliate, Sanford C. Bernstein Limited (“SCB Ltd.”), collectively “SCB,” and pay commissions for such transactions. During the Portfolio’s most recently completed fiscal year, the Portfolio did not effect any brokerage transactions with and pay any commission to SCB. The Adviser represented that SCB’s profitability from any future business conducted with the Portfolio would be comparable to the profitability of SCB’s dealings with other similar third party clients. In the ordinary course of business, SCB receives and pays liquidity rebates from electronic communications networks (“ECNs”) derived from trading for its clients. These credits and charges are not being passed onto any SCB client. The Adviser also receives certain soft dollar benefits from brokers that execute agency trades for its clients. These soft dollar benefits reduce the Adviser’s cost of doing business and increase its profitability.

#### **V. POSSIBLE ECONOMIES OF SCALE**

The Adviser has indicated that economies of scale are being shared with shareholders through fee structures,<sup>16</sup> subsidies and enhancement to services. Based on some of the professional literature that has considered economies of scale in the mutual fund industry, it is thought that to the extent economies of scale exist, they may more often exist across a fund family as opposed to a specific fund. This is because the costs incurred by the Adviser, such as investment research or technology for trading or compliance systems can be spread across a greater asset base as the fund family increases in size. It is also possible that as the level of services required to operate a successful investment company has increased over time, and advisory firms make such investments in their business to provide services, there may be a sharing of economies of scale without a reduction in advisory fees.

An independent consultant, retained by the Senior Officer, provided the Board of Directors an update of the Deli<sup>17</sup> study on advisory fees and various fund characteristics. The independent consultant first reiterated the results of his previous two dimensional comparison analysis (fund size and family size) with the Board of Directors.<sup>18</sup> The independent consultant then discussed the results of the regression model that was utilized to study the effects of various factors on advisory fees. The regression model output indicated that the bulk of the variation in fees predicted were explained by various factors, but substantially by fund AUM, family AUM, index fund indicator and investment style. The independent consultant also compared the advisory fees of the AllianceBernstein Mutual Funds to similar funds managed by 19 other large asset managers, regardless of the fund size and each Adviser’s proportion of mutual fund assets to non-mutual fund assets.

#### **VI. NATURE AND QUALITY OF THE ADVISER’S SERVICES, INCLUDING THE PERFORMANCE OF THE PORTFOLIO**

With assets under management of approximately \$411 billion as of March 31, 2009, the Adviser has the investment experience to manage and provide non-investment services (described in Section I) to the Portfolio.

---

<sup>15</sup> The Fund (which includes the Portfolio and other series of the Fund) paid ABIS a flat fee of \$18,000 in 2008.

<sup>16</sup> Fee structures include fee reductions, pricing at scale and breakpoints in advisory fee schedules.

<sup>17</sup> The Deli study was originally published in 2002 based on 1997 data.

<sup>18</sup> The two dimensional analysis showed patterns of lower advisory fees for funds with larger asset sizes and funds from larger family sizes compared to funds with smaller asset sizes and funds from smaller family sizes, which according to the independent consultant is indicative of a sharing of economies of scale and scope. However, in less liquid and active markets, such is not the case, as the empirical analysis showed potential for diseconomies of scale in those markets. The empirical analysis also showed diminishing economies of scale and scope as funds surpassed a certain high level of assets.

# REAL ESTATE INVESTMENT PORTFOLIO

## SENIOR OFFICER FEE EVALUATION

(continued)

AllianceBernstein Variable Products Series Fund

The information prepared by Lipper shows the 1, 3, 5 and 10 year performance rankings of the Portfolio<sup>19</sup> relative to its Lipper Performance Group (“PG”) and Lipper Performance Universe (“PU”)<sup>20</sup> for the periods ended January 31, 2009.<sup>21</sup>

	Portfolio Return	PG Median (%)	PU Median (%)	PG Rank	PU Rank
1 year	-45.23	-48.99	-48.47	1/14	4/25
3 year	-16.66	-18.98	-18.34	2/13	5/23
5 year	-1.88	-3.40	-3.26	1/12	3/17
10 year	6.27	5.37	5.68	2/7	4/11

Set forth below are the 1, 3, 5, 10 year and since inception performance returns of the Portfolio (in bold)<sup>22</sup> versus its benchmark.<sup>23</sup> Portfolio and benchmark volatility and reward-to-variability ratio (“Sharpe Ratio”) information is also shown.<sup>24</sup>

	Periods Ending January 31, 2009						Annualized Performance		Risk Period (Year)
	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)	Volatility (%)	Sharpe (%)		
<b>Real Estate Investment Portfolio</b>	<b>-45.23</b>	<b>-16.66</b>	<b>-1.88</b>	<b>6.27</b>	<b>4.97</b>	<b>20.76</b>	<b>0.24</b>	<b>10</b>	
NAREIT Equity Index	-47.97	-18.25	-3.67	5.62	4.31	20.96	0.22	10	
S&P 500 Stock Index	-38.63	-11.78	-4.24	-2.65	2.45	N/A	N/A	N/A	

Inception Date: January 9, 1997

### CONCLUSION:

Based on the factors discussed above the Senior Officer’s conclusion is that the proposed advisory fee for the Portfolio is reasonable and within the range of what would have been negotiated at arm’s-length in light of all the surrounding circumstances. This conclusion in respect of the Portfolio is based on an evaluation of all of these factors and no single factor was dispositive.

Dated: June 1, 2009

19 The performance rankings are for the Class A shares of the Portfolio. It should be noted that the performance returns of the Portfolio shown were provided by the Adviser. Lipper maintains its own database that includes the Portfolio’s performance returns. Rounding differences may cause the Adviser’s Portfolio returns to be one or two basis points different from Lipper’s own Portfolio returns. To maintain consistency, the performance returns of the Portfolio, as reported by the Adviser, are provided instead of Lipper.

20 The Portfolio’s PG is identical to the Portfolio’s EG. The Portfolio’s PU is not identical to the Portfolio’s EU as the criteria for including or excluding a fund from a PU is somewhat different from that of an EU.

21 Note that the current Lipper investment classification/objective dictates the PG and PU throughout the life of the fund even if a fund had a different investment classification/objective at a different point in time.

22 The performance returns and risk measures shown in the table are for the Class A shares of the Portfolio.

23 The Adviser provided Portfolio and benchmark performance return information for periods through January 31, 2009.

24 Portfolio and benchmark volatility and Sharpe Ratio information was obtained through Lipper LANA, a database maintained by Lipper. Volatility is a statistical measure of the tendency of a market price or yield to vary over time. A Sharpe Ratio is a risk adjusted measure of return that divides a portfolio’s return in excess of the riskless return by the portfolio’s standard deviation. A portfolio with a greater volatility would be seen as more risky than a portfolio with equivalent performance but lower volatility; for that reason, a greater return would be demanded for the more risky portfolio. A portfolio with a higher Sharpe Ratio would be viewed as better performing than a portfolio with a lower Sharpe Ratio.

(This page left intentionally blank.)

(This page left intentionally blank.)

(This page left intentionally blank.)

